



Massachusetts Housing Finance Agency
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March 16, 2016

Mr. Brian Murphy
River Stone, LLC
293 Washington Street
Norwell, MA 02061

**Re: River Stone, Hingham
Project Eligibility/Site Approval
Project #802**

Dear Mr. Murphy:

This letter is in response to your application as "Applicant" for a determination of Project Eligibility (Site Approval) pursuant to Massachusetts General Laws Chapter 40B ("Chapter 40B"), 760 CMR 56.00 (the "Regulations") and the Comprehensive Permit Guidelines issued by the Department of Housing and Community Development ("DHCD") (the "Guidelines" and, collectively with Chapter 40B and the Regulations, the "Comprehensive Permit Rules"), under the New England Fund ("NEF") Program ("the Program") of the Federal Home Loan Bank of Boston ("FHLBB").

You have proposed to build 36 homeownership units (the "Project") on 6.67 acres of land located on Viking Lane (the "Site") in Hingham, MA (the "Municipality").

In accordance with the Comprehensive Permit Rules, this letter is intended to be a written determination of Project Eligibility ("Site Approval") by MassHousing acting as Subsidizing Agency under the Guidelines, including Part V thereof, "Housing Programs In Which Funding Is Provided By Other Than A State Agency."

MassHousing has performed an on-site inspection of the Site, which local boards and officials were invited to attend, and has reviewed the pertinent information for the Project submitted by the Applicant, the Municipality and others in accordance with the Comprehensive Permit Rules.

Municipal Comments

Pursuant to the Regulations, the Municipality was given a thirty (30) day period in which to review the Site Approval application and submit comments to MassHousing. The Town of Hingham Board of Selectmen submitted comments to MassHousing regarding the Application on January 25, 2016, summarizing comments from municipal officials, staff and members of the public. The following concerns were identified in their comments:

- The Municipality expressed concern about storm-water management issues resulting from an increase in impervious surface and the potential negative impacts on abutting properties and roadways.

- The Municipality expressed concern regarding the ability of public safety vehicles to effectively maneuver around on-street visitor parking in the event of an emergency.
- The Municipality believes the site plan lacks adequate information to determine whether sidewalks will be included throughout the development. The Municipality is further concerned that current plan not include any provision for recreational areas for children.
- The Municipality is concerned that the additional 36 homes proposed for this development would significantly increase the number of homes served by the existing road network creating a public safety hazard.
- The Municipality has identified a variety of measures it has taken in recent years to develop what the Municipality deems as the appropriate type of housing for its residents.

Community Comments

MassHousing received several letters and signed petitions from area residents, all of which expressed opposition to the proposed development. While letters from members of the community basically echoed the concerns identified by the local officials, the letters received are summarized below:

- Area residents expressed concern about potentially negative environmental impacts of the Project. They noted that portions of the Site have historically experienced flooding, and expressed concern that Project grading could result in erosion and flooding impacts on adjacent properties.
- Area residents expressed concern that the site supports a diverse wildlife population and that the proposed development may result in harm to wildlife and its associated habitat.
- Area residents believe the proposed buildings are significantly out of scale for the existing residential neighborhood.
- Area residents expressed concern that public safety vehicles may have difficulty negotiating the Site in the event of an emergency. In addition, they indicated that the internal roadway is narrow and may result in limited capacity for visitor parking.

Comments Outside of the Findings

While Comprehensive Permit Rules require MassHousing, acting as Subsidizing Agency under the Guidelines, to “accept written comments from Local Boards and other interested parties” and to “consider any such comments prior to issuing a determination of Project Eligibility, “ they also limit MassHousing to specific findings outlined in 760 CMR 56.04(1) and (4). MassHousing identified issues that are not within the scope of our review including possible impacts on classroom size, and on the quality of the Hingham Public Schools.

MassHousing Determination and Recommendations

MassHousing staff has determined that the Project appears generally eligible under the requirements of the Program, subject to final review of eligibility and to Final Approval. As a result of our review, we have made the findings as required pursuant to 760 CMR 56.04(1) and (4). Each such finding, with supporting reasoning, is set forth in further detail on Attachment 1 hereto. It is important to note

that Comprehensive Permit Rules limit MassHousing to these specific findings in order to determine Project Eligibility. If, as here, MassHousing issues a determination of Project Eligibility, the Developer may apply to the Zoning Board of Appeals of the Municipality for a comprehensive permit. At that time local boards, officials and members of the public are provided the opportunity to further review the Project to ensure compliance with applicable state and local standards and regulations.

Based on MassHousing's site and design review, and in light of feedback received from the Municipality and members of the community, the following issues should be addressed in your application to the Hingham Zoning Board of Appeals, and you should be prepared to explore them more fully during the public hearing process:

- Development of this site will require resolution of all environmental conditions per laws, regulations and standards applicable to existing conditions and to the proposed use, including but not limited to compliance with all applicable regulatory restrictions relating to floodplain management, the protection of wetlands (WPA), river and wildlife habitats/conservation areas as well as local and state environmental protection requirements relating to the protection of the public water supply, storm water runoff, wastewater treatment, and hazardous waste safety. The Applicant should provide evidence of such compliance prior to the issuance of a building permit for the project.
- The Applicant should provide a detailed traffic study assessing potential impacts of the Project on area roadways, including traffic volumes, crash rates, and the safety and level of service (LOS) of area intersections, and identifying appropriate traffic mitigation in compliance with all applicable state and local requirements governing site design.
- The Applicant must comply with Title V regulations regarding the design and construction of individual wells, septic systems and wastewater treatment plants. The Applicant should provide evidence of such compliance prior to the issuance of a building permit for the project.
- The Applicant should be prepared to respond to Municipal concerns relative to the safety and functionality of the proposed internal roadway and pedestrian circulation plan.

MassHousing has also reviewed the application for compliance within the requirements of 760 CMR 56.04(2) relative to Application requirements, and has determined that the material provided by the Applicant is sufficient to show compliance.

This approval is expressly limited to the development of no more than thirty-six (36) homeownership units under the terms of the Program, with not less than nine (9) of such units restricted as affordable homeownership units for low and moderate income persons or families as required under the terms of the Guidelines. It is not a commitment or guarantee of NEF financing and does not constitute a site plan or building design approval. Should you consider, prior to obtaining a Comprehensive Permit, the use of any other housing subsidy program, the construction of additional units or a reduction in the size of the Site, you may be required to submit a new Site Approval application for review by MassHousing. Should you consider a change in tenure type or a change in building type or height, you may be required to submit a new Site Approval application for review by MassHousing.

For guidance on the Comprehensive Permit review process, you are advised to consult the Guidelines. Further, we urge you to review carefully with legal counsel the M.G.L. c.40B Comprehensive Permit Regulations and 760 CMR 56.00.

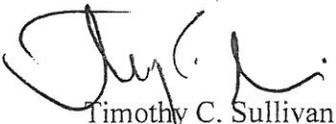
This approval will be effective for a period of two years from the date of this letter. Should the Applicant not apply for a Comprehensive Permit within this period or should MassHousing not extend the effective period of this letter in writing, this letter shall be considered to have expired and no longer be in effect. In addition, the Applicant is required to notify MassHousing at the following times throughout this two year period: (1) when the Applicant applies to the local ZBA for a Comprehensive Permit, (2) when the ZBA issues a decision and (3) if applicable, when any appeals are filed.

Should a comprehensive permit be issued, please note that prior to (i) commencement of construction of the Project or (ii) issuance of a building permit, the Applicant is required to submit to MassHousing a request for Final Approval of the Project (as it may have been amended) in accordance with the Comprehensive Permit Rules (see especially 760 CMR 56.04(07) and the Guidelines including, without limitation, Part III thereof concerning Affirmative Fair Housing Marketing and Resident Selection). Final Approval will not be issued unless MassHousing is able to make the same findings at the time of issuing Final Approval as required at Site Approval.

Please note that MassHousing may not issue Final Approval if the Comprehensive Permit contains any conditions that are inconsistent with the regulatory requirements of the New England Fund Program of the FHLBB, for which MassHousing serves as Subsidizing Agency, as reflected in the applicable regulatory documents. In the interest of providing for an efficient review process and in order to avoid the potential lapse of certain appeal rights, the Applicant may wish to submit a "final draft" of the Comprehensive Permit to MassHousing for review. Applicants who avail themselves of this opportunity may avoid significant procedural delays that can result from the need to seek modification of the Comprehensive Permit after its initial issuance.

If you have any questions concerning this letter, please contact Michael J. Busby at (617) 854-1219.

Sincerely,


Timothy C. Sullivan
Executive Director

cc: Chrystal Kornegay, Undersecretary, Department of Housing and Community Development
Paul K. Healey, Chairman, Hingham Board of Selectmen
Joseph M. Fisher, Chairman, Hingham Zoning Board of Appeals

Attachment 1.

760 CMR 56.04 Project Eligibility: Other Responsibilities of Subsidizing Agency
Section (4) Findings and Determinations

River Stone, Hingham, MA #802

After the close of a 30-day review period and extension, if any, MassHousing hereby makes the following findings, based upon its review of the application, and taking into account information received during the site visit and from written comments:

(a) that the proposed Project appears generally eligible under the requirements of the housing subsidy program, subject to final approval under 760 CMR 56.04(7);

The Project is eligible under the NEF housing subsidy program and at least 25% of the units will be available to households earning at or below 80% of the Area Median Income, adjusted for household size, as published by the U.S. Department of Housing and Urban Development (“HUD”). The most recent HUD income limits indicate that 80% of the current median income for a four-person household in Hingham is \$69,700. The Applicant submitted a letter of financial interest from South Shore Bank, a member bank of the FHLBB under the NEF Program.

(b) that the site of the proposed Project is generally appropriate for residential development, taking into consideration information provided by the Municipality or other parties regarding municipal actions previously taken to meet affordable housing needs, such as inclusionary zoning, multifamily districts adopted under c.40A, and overlay districts adopted under c.40R, (such finding, with supporting reasoning, to be set forth in reasonable detail);

Section IV-A (3) (a) of the Guidelines provide guidance to Subsidizing Agencies for evaluating a municipality’s actions intended to meet affordable housing needs.

MassHousing carefully reviewed the information provided by the Hingham Board of Selectmen describing previous municipal actions intended to provide affordable housing. Specific examples cited by the Selectmen include:

- Creation of 6 units of affordable housing for veterans on Fort Hill Street;
- Acquisition and rehabilitation of a single family home on Scotland Street by the Hingham Housing Authority;
- A project built through DHCD’s Local Initiative Program (LIP) known as Craftsman Village; and
- Transfer of funds to the Hingham Affordable Housing trust to support the planning phase of an affordable housing development on “Selectman’s Parcel.”

Hingham does not have a Housing Production Plan on file with DHCD. Hingham has 561 Subsidized Housing Inventory (SHI) units (6.35% of its housing inventory) and needs an additional 323 SHI units in order to meet the 10% SHI threshold. The current zoning allows for residential use, and the residential use would be compatible with surrounding uses.

(c) that the conceptual project design is generally appropriate for the site on which it is located, taking into consideration factors that may include proposed use, conceptual site plan and building massing, topography, environmental resources, and integration into existing development patterns (such finding, with supporting reasoning, to be set forth in reasonable detail);

In summary, based on evaluation of the site plan using the following criteria, MassHousing finds that the proposed conceptual project design is generally appropriate for the Site. The following plan review findings are made in response to the conceptual plan, submitted to MassHousing.

Relationship to Adjacent Building Typology (Including building massing, site arrangement, and architectural details)

The Developer proposes varied rooflines with a peak height of no more than 2 stories high, which is consistent with roof heights found in the surrounding neighborhood. To help mitigate the massing of the buildings the developer proposes shed dormers and roof aprons across the entire front and rear of each building, architectural details such as door and window treatments, corner boards and stone or columned front porches, which will help reduce the bulk of the buildings. The development proposes a higher density than surrounding single-family house lots and introduces a new building type to this area. The Developer's objective is to create a New England Village-style development which features stone entry porches, decks, and exterior columns made of wood and or/composite materials, and are similar to traditional materials found in area homes.

Relationship to Adjacent Streets

The Site is bordered by residential neighborhoods along Ward Street which intersects with High Street to the North and Cushing Street to the South. There appears to be adequate lines of sight for vehicles entering and exiting the proposed Site. The visual perception of the proposed development from intersecting streets is able to successfully integrate with existing development patterns.

Density

The Applicant proposes to build 36 homes on 6.67 acres, 6.31 buildable acres. The resulting density is 5.7 units per buildable acre, which is acceptable given the proposed housing type and patterns of development within the region.

Conceptual Site Plan

The proposed development will consist of 36 condominium units located in 2, 3 and 4 unit buildings. Visitor and guest parking will be available throughout the site. The units will range from 2,000 to 2,300 square feet and will have water, gas and electric service by way of underground utilities accessed from Ward Street. A wastewater sewerage collection system is proposed to flow to an on-site Title 5 septic system. The interior roadway is appropriately designed to meet the vehicular needs of the proposed development.

Topography

The site is gently rolling woodland with a partial clearing in the area of the existing road. The existing topography is not an impediment to the proposed development.

Environmental Resources

The subject property is not located within any significant defined resource area and does not include any unique environmental features that enhance or restrict the proposed use.

Proposed Use

Based on MassHousing staff's site inspection, internal discussions, and a thorough review of the application, MassHousing finds that the Site is suitable for residential use and development and that such use would be compatible with surrounding uses.

(d) that the proposed Project appears financially feasible within the housing market in which it will be situated (based on comparable rentals or sales figures);

The Project appears financially feasible based on a comparable sales letter submitted by realtor Amy Toth of Coastal Real Estate of Scituate, MA.

(e) that MassHousing finds that an initial pro forma has been reviewed, including a land valuation determination consistent with the Department's Guidelines, and the Project appears financially feasible and consistent with the Department's Guidelines for Cost Examination and Limitations on Profits and Distributions (if applicable) on the basis of estimated development costs;

The initial pro forma has been reviewed for the proposed residential use and the Project appears financially feasible with a projected profit margin of 16.69%. In addition, a third party appraisal commissioned by MassHousing has determined that the "As Is" land value for the Site of the proposed Project is \$2,610,000.

(f) that the Applicant is a public agency, a non-profit organization, or a Limited Dividend Organization, and it meets the general eligibility standards of the housing program; and

The Applicant must be organized as a Limited Dividend Organization prior to applying for Final Approval. MassHousing sees no reason this requirement could not be met given information reviewed to date. The Applicant meets the general eligibility standards of the NEF housing subsidy program and has executed an Acknowledgment of Obligations to restrict their profits in accordance with the applicable limited dividend provisions.

(g) that the Applicant controls the site, based on evidence that the Applicant or a related entity owns the site, or holds an option or contract to acquire such interest in the site, or has such other interest in the site as is deemed by the Subsidizing Agency to be sufficient to control the site.

The Applicant controls the entire 6.67 acre Site under a purchase and sales agreement with an expiration date of September 15, 2020.